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Follow-up to the CES 2013 seminar on challenges in implementing the System of Environmental-Economic Accounting and measuring sustainable development

Follow-up to the 2013 Conference of European Statisticians seminar on challenges in implementing the System of Environmental-Economic Accounting and measuring sustainable development

Note by the Secretariat

Summary

This note provides information on the progress in follow-up to the decisions of the Conference of European Statisticians 2013 plenary session regarding the implementation of the System of Environmental-Economic Accounting and measuring sustainable development. The Bureau discussed the follow-up at its meetings in October 2013 and January 2014, and decided on a number of activities.

Work in several areas is already ongoing. In some areas it is necessary to wait for the outcome of another process (pilot testing of indicators sets from the CES Recommendations, establishing the Sustainable Development Goals). The next step to be currently undertaken is the preparation of stocktaking reports on transboundary impacts of sustainable development, measuring sustainable development at different scales, and linking subjective and objective indicators. Countries/international organizations that are willing to contribute to the stocktaking reports are invited to contact the secretariat (tiina.luige@unece.org).

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I. Introduction

1. This note summarizes the proposals and decisions for follow-up activities which emerged from the following events and documents during the 2013 Conference of European Statisticians (CES) plenary session:

(a) 2013 CES seminar on challenges in implementing the System of Environmental-Economic Accounting (SEEA) and measuring sustainable development in follow-up to Rio+20;

(b) Endorsement of the *CES Recommendations on measuring sustainable development*;

(d) High-level workshop on *Challenges in implementing SEEA and measuring sustainable development in follow-up to Rio+20* for countries of Eastern Europe, Caucasus and Central Asia held back-to-back with the CES plenary session on 12-13 June 2013.

2. The Conference asked the Secretariat and the CES Bureau to follow up on the issues raised during the seminar, and to discuss how to implement the proposed actions. The CES Bureau discussed the follow-up to the 2013 CES seminar and the related events at its October 2013 and January 2014 meetings.

3. Section II of this paper presents the decisions and follow-up actions undertaken after the 2013 CES plenary session. These can be grouped under four headings:

(a) Contributing to the process of setting up the sustainable development goals (SDG) and promoting the *CES recommendations on measuring sustainable development*;

(b) Implementing the *CES Recommendations on measuring sustainable development*;

(c) Further methodological work on measuring sustainable development;

(d) Support to the implementation of SEEA in the UNECE region.

II. Follow-up to the 2013 Conference of European Statisticians seminar and related events: decisions and progress of work

A. Contributing to the Sustainable Development Goals process and promoting the *CES Recommendations on measuring sustainable development*

4. The relevant CES decisions are reflected in paras 25 and 50 of the report of the CES 2013 plenary session[1]:

> *"25 (a) Establish a clear connection between statisticians and the political level in measuring sustainable development. Use the available opportunities for this purpose, for example the UN Open Working Group on Sustainable Development Goals (SDGs) and the United Nations Statistical Commission (UNSC) Friends of the Chair group on broader measures of progress.*

[1] ECE/CES/85, available at: http://www.unece.org/stats/documents/2013.06.ces.html

50 (f) Put in place promotional and communication activities to promote the Recommendations widely among policy makers and statisticians, and also in other regions;

50 (g) Ensure that the SDG process, including the UNSC Friends of the Chair Group, is informed about the Recommendations by the Joint UNECE/Eurostat/OECD Task Force on Measuring Sustainable Development."

5. After the CES 2013 plenary session, the following actions have been undertaken:

6. The electronic version of the *CES Recommendations on measuring sustainable development* was published (www.unece.org/publications/ces_sust_development.html). The printed publication was issued in March 2014.

7. The CES Bureau emphasised the importance of translating the CES Recommendations into Russian. The draft Russian translation of the publication has been prepared and is currently being checked for quality and consistency.

8. The CES Recommendations provide important input to the SDG process through the UNSC Friends of the Chair group on broader measures of progress (FOC). Several CES members, including UNECE, are members of the FOC and thus contribute to its work.

9. The FOC group prepared a report[2] that was discussed by the UN Statistical Commission on 4 March. The report strongly refers to the CES Recommendations. It emphasizes that the CES Recommendations take into account all research and initiatives in this area, contribute to the clarification of the notion of well-being, social progress and sustainable development, and link the conceptual aspects related to the human well-being 'here and now', 'elsewhere' and 'later'. The twenty sustainable development themes and three sets of indicators identified in the Recommendations can be easily linked to the proposals for SDGs and targets. The FOC group recommends to the international statistical community to take into account the framework presented in the CES Recommendations when choosing the indicators to measure SDGs and related targets.

10. The UNECE secretariat as a member of the FOC group contributed to the preparation of a number of statistical notes submitted to the UN Open Working Group (OWG). The draft statistical notes are available as a background document for the 45th session of UNSC[3].

11. The statistical note on "Sustained and inclusive economic growth and infrastructure development and industrialization" strongly refers to the work of the joint UNECE/Eurostat/OECD Task Force on measuring sustainable development (TFSD) and the CES Recommendations. It is noted that: "The 2013 report of the TFSD on a conceptual framework and suggested indicators for measuring sustainable development presents a good starting point for the monitoring of sustained and inclusive economic growth. The analysis undertaken by the TFSD has further determined that a large number of expected indicators can be informed by official statistics compiled for the implementation of SNA 2008 and SEEA 2012. This presents a move away from an ad-hoc indicator approach to a broad based, balanced and sustainable national statistical capacity building approach determined by country policy priorities, ownership and statistical information management."

[2] E/CN.3/2014/4, available at: http://unstats.un.org/unsd/statcom/sc2014.htm

[3] http://unstats.un.org/unsd/statcom/doc14/BG-FOC-Broader-measures.pdf

12. The Secretariat will consider additional promotional and communication activities of the CES Recommendations to ensure wider awareness about them among policy makers and statisticians, including in other regions.

3. Implementing the *CES Recommendations on measuring sustainable development*

1. Pilot testing

13. The relevant CES decision is as follows:

"50 (b) Pilot test indicator sets with a sample of countries."

14. Eight countries volunteered to undertake pilot testing: Australia, Italy, Kazakhstan, Mexico, Russian Federation, Slovenia, Turkey and Ukraine.

15. Furthermore, Italy, Mexico, Slovenia and Ukraine have informed the Secretariat that they are already using the CES Recommendations in developing/reviewing their national sustainable development indicator sets.

16. The CES Bureau discussed the procedure of pilot testing in January 2014. Following the CES Bureau decision, the pilot testing is currently underway with mapping the indicators proposed in the CES Recommendations with the indicators used in countries. The work will continue with discussing the problems encountered and considering proposals for fine-tuning the framework and indicator sets, if needed. Case studies on the experiences of using the CES Recommendations in Italy, Mexico, Slovenia and Ukraine will be compiled.

17. In addition to the pilot testing by the eight countries organised by UNECE, OECD plans to include in their 2015-16 work plan testing of the indicators in OECD countries with the perspective of using them for monitoring and benchmarking the comparative performance of countries. This work is planned to be pursued in close collaboration with UNECE and the countries that will pilot test the indicators.

2. Implementation strategy and practical guidance

18. The relevant decisions of CES are:

"25 (b) Prepare an implementation strategy for the Recommendations of the Joint UNECE/Eurostat/OECD Task Force on Measuring Sustainable Development and develop practical guidance on how to implement the Recommendations.

50 (a) Draft a strategy for implementing the Recommendations of the Joint UNECE/Eurostat"/OECD Task Force on Measuring Sustainable Development; considering how to extend this work further in a broader international context;

50 (c) Develop practical guidance for the implementation of sustainable development indicator sets."

19. The work on developing practical guidance and an implementation strategy will start after the pilot testing of the indicator sets proposed in the Recommendations. It will be also useful to know the outcome of the UN process of setting up the SDGs and the related targets and indicators for this purpose.

3. Linking/adjusting the indicator sets to the Sustainable Development Goals

20. The CES decided on the following:

"50 (d) Link/adjust the indicator sets to the Sustainable Development Goals, targets and indicators, once these are defined"

21. The process of establishing the SDGs is underway. The different work streams that provide input to the process should be completed by September 2014. By end 2014, the UN Secretary General will issue a synthesis report incorporating all inputs. The Goals will be adopted by the UN General Assembly at a high-level Summit in September 2015.

22. The work on adjusting the indicator sets from the CES Recommendations to the SDGs should be undertaken starting from 2015 when the SDGs and related targets and indicators will be defined.

C. Further methodological work

23. The relevant decisions are reflected in the 2013 CES report as follows:

"25 (c) Continue methodological work on measuring the global dimension and transboundary impacts related to sustainable development, the human and social capital, and measuring sustainable development at regional and sub-national levels. This work could be undertaken through a dedicated Task Force.

50 (e) Further work on transboundary impacts in the context of sustainable development, on distributional aspects, and on measurement of risks"

24. Proposals for future work were also identified in the CES Recommendations and in country comments on the Recommendations (ECE/CES/2013/4 and Add.1). These included future work on the following topics: financial, natural, human and social capital; distributional aspects (inequality); time-use; linking subjective and objective indicators; measuring sustainable development at different scales (regional level, urban/rural areas, company level, etc.); satellite accounts/sustainability accounting; and developing harmonised indicator sets for measuring sustainable development.

25. In several areas work is already being undertaken:

(a) The CES set up a Task Force on human capital chaired by Statistics Norway;

(b) OECD is working on social capital;

(c) *Guidelines on time-use surveys* were adopted by the CES Bureau in October 2013. Further work will be undertaken to collect methodological material on time-use surveys. A proposal to set up a Task Force for developing guidelines on valuing unpaid household work will be discussed by the CES Bureau in October 2014;

(d) UNECE organised a seminar on measurement of poverty in December 2013 which covers some of the distributional aspects. The Bureau established a Task Force on poverty measurement in January 2014;

(e) Measurement of financial and natural capital is dealt with in connection with the implementation of the SNA 2008 and SEEA.

26. The Secretariat consulted the proposals for further methodological work with a small informal Steering Group to identify priorities. This group consisted of a few countries and organizations who participated actively in the UNECE/Eurostat/OECD Task Force on Measuring Sustainable Development (Australia, Canada, France, the Netherlands, Slovenia, Switzerland, Eurostat and OECD). The group considered the following topics as a priority:

(a) Measuring transboundary impacts in the context of sustainable development;

(b) Measuring sustainable development at different scales;

(c) Linking subjective and objective indicators.

27. Among the small group of countries that were consulted, Australia, France, the Netherlands and Switzerland considered measurement of transboundary impacts as a priority. France, the Netherlands and OECD have done some work on footprint indicators. Switzerland established concepts for the measurement of transboundary impacts in 2008 and regularly updates a set of indicators on this topic. Countries emphasised that the measurement of transboundary impacts should go beyond environmental issues to consider other aspects, such as the brain drain/gain, knowledge transfers, international flows, etc.

28. Australia, the Netherlands, Slovenia and Switzerland considered measuring sustainable development at different scales a priority. The Netherlands plans to undertake a project to compare the framework from the CES Recommendations with the framework used at company level (the Global Reporting Initiative) and possibly at product level (the Sustainability Consortium). Switzerland maintains two SDI-Systems for the cantons and cities of Switzerland, and the Swiss indicator system MONET is being used by a Swiss canton. OECD has been recently working on a project aimed at developing sub-national metrics for the 'here and now' dimension of the CES Recommendations ("How's Life in Your Region?"). Outcomes of this work could possibly feed into work to develop sub-national measures for the 'later' and 'elsewhere' dimensions.

29. Australia and Slovenia considered linking subjective and objective indicators as a priority. France noted that they have done some work in this area.

30. The consulted group of countries and organizations proposed that follow-up work in these areas should take the form of stocktaking of the existing activities. OECD is ready to provide references to relevant reports that could inform the stocktaking exercise. Eurostat is ready to contribute to the small informal Steering Group.

31. The Bureau decided that the Secretariat with the assistance of a small group of countries and organizations will prepare stocktaking reports on the three topics listed above. The work will start with 'Measuring transboundary impacts in the context of sustainable development' and continue with 'Measuring sustainable development at different scales' and 'Linking subjective and objective indicators.' CES members are invited to contribute to the stocktaking reports.

D. Support to the implementation of the System of Environmental-Economic Accounting

32. The CES 2013 decided the following:

"25 (d) Strengthen the governance of and support to the SEEA implementation in collaboration with UNSD taking into account national and regional circumstances;

25 (e) Develop mechanisms to share good practices and exchange experience in SEEA implementation, in collaboration with UNSD, for example through an electronic forum."

33. Furthermore, the high-level seminar on the implementation of SEEA and measuring sustainable development for the countries of Easter Europe, Caucasus and Central Asia on 12-13 June asked for support in the implementation, and for a forum to share experience and discuss specific problems in this area.

34. The Secretariat consulted the proposal to organise a seminar on implementation of SEEA with the small informal Steering Group (Australia, Canada, France, the Netherlands, Slovenia, Switzerland, Eurostat and OECD). The group considered it useful to have a meeting to exchange experience in implementation of SEEA, in coordination with other fora where the related issues are discussed.

35. OECD informed that they have recently established an Expert Group on the implementation of SEEA that brings together national accountants and environment experts to guide the work on compiling a set of core tables in this field. OECD is ready to cooperate with UNECE in organising a seminar to share experiences in the SEEA implementation.

36. In January 2014 the Bureau asked the secretariat to organize a seminar on SEEA implementation, in collaboration with OECD.

V. Conclusions

37. Several follow-up actions to the CES 2013 seminar are already ongoing. The secretariat is contributing to the Sustainable Development Goals process through the UNSC Friends of the Chair Group on broader measures of progress and other channels, and is considering additional ways how to promote the *CES Recommendations on measuring sustainable development*.

38. The pilot testing of indicator sets from the CES Recommendations is underway.

39. For developing practical guidance on implementation of the CES Recommendations, it is necessary to wait for the outcome of the pilot testing. The indicator sets from the CES Recommendations will be adjusted to SDGs and related targets when these will be defined.

40. Methodological work in several areas identified for future work is already undertaken. Concerning the areas not yet addressed, the next step is to prepare stocktaking reports on:

(a) Measuring transboundary impacts in the context of sustainable development;

(b) Measuring sustainable development at different scales; and

(c) Linking subjective and objective indicators.

41. The secretariat will organise a seminar for the exchange of experience in implementation of SEEA in collaboration with OECD. The seminar could take place in autumn 2014/spring 2015.

VI. Proposal for the Conference

42. The Conference is invited to take note of the progress of work in implementing the follow-up actions to the 2013 CES seminar on implementation of SEEA and measuring sustainable development.

43. Countries/organizations are invited to contribute to the stocktaking reports listed in para 40 above (please contact the secretariat: tiina.luige@unece.org).